

AMENDMENTS

In the Claims:

1. (Amended) A method of image compression comprising the steps of:
- (a) dividing an image to be compressed into a plurality of image blocks;
 - (b) carrying out a two-dimensional block transform on each block to produce a corresponding plurality of coefficient blocks;
 - (c) bitwise digitizing the coefficients within each coefficient block to define a plurality of bit planes for each coefficient block;
 - (d) defining a group of one or more consecutive bit planes starting with the most significant bit plane;
 - (e) selectively flagging those coefficients which first become significant within the group;
 - (f) transmitting information representative of the positions of the said flagged coefficients and transmitting the bits within the group of the said coefficients; and,
 - (g) repeating steps (d) to (f) one or more times, with each new group starting with the most significant bit plane not previously dealt with and, at each repeated pass, also transmitting the bits within the current group of those coefficients which were previously flagged on an earlier pass.

- 18/1. (Twice Amended) A coder for encoding images, comprising the steps of:
- (a) means for dividing an image to be compressed into a plurality of image blocks;
 - (b) means for carrying out a two-dimensional block transform on each block to produce a corresponding plurality of coefficient blocks;
 - (c) means for bitwise digitizing the coefficients within each coefficient block to define a plurality of bit planes for each coefficient block;
 - (d) means for defining a group of one or more consecutive bit planes starting with the most significant bit plane;

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(e) means for selectively flagging those coefficients which first become significant within the group;

(f) means for transmitting information representative of the positions of the said flagged coefficients and for transmitting the bits within the group of the said coefficients; and,

(g) means for repeating steps (d) to (f) one or more times, with each new group starting with the most significant bit plane not previously dealt with, and means for transmitting, at each repeated pass, the bits within the current group of those coefficients which were previously flagged on an earlier pass.

2 2. (Amended) A video coder/decoder comprising a coder and an associated decoder,

(1) the coder encoding images and comprising the steps of:

(a) means for dividing an image to be compressed into a plurality of image blocks;

(b) means for carrying out a two-dimensional block transform on each block to produce a corresponding plurality of coefficient blocks;

(c) means for bitwise digitizing the coefficients with each coefficient block to define a plurality of bit planes for each coefficient block;

(d) means for defining a group of one or more consecutive bit planes starting with the most significant bit plane;

(e) means for selectively flagging those coefficients which first become significant within the group;

(f) means for transmitting information representative of the positions of the said flagged coefficients and for transmitting the bits within the group of the said coefficients; and,

(g) means for repeating steps (d) to (f) one or more times, with each new group starting with the most significant bit plane not previously dealt with, and means for transmitting, at